

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL

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August 17, 1999

Magalie Roman Salas Commission Secretary Federal Communications Commission Portals II 445 12th Street, S.W. Suite TW-B204F Washington, D.C. 20554

Re:

WT Docket No. 97-207, Calling Party Pays Service Offering in the

Commercial Mobile Radio Services

Dear Ms. Salas:

Enclosed please find one original and nine copies of the Connecticut Department of Public Utility Control comments filed in the above noted proceeding.

Sincerely,

DEPARTMENT OF PUBLIC UTILITY CONTROL

Louise Rickard

Acting Executive Secretary

Enc.

cc: D

David Siehl

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10 Franklin Square • New Britain, Connecticut 06051

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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of)	
)	
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COMMENTS OF THE CONNECTICUT DEPARTMENT OF PUBLIC UTILITY CONTROL

I. INTRODUCTION

The Connecticut Department of Public Utility Control (CTDPUC) hereby files comments with the Federal Communications Commission (FCC or Commission) in response to the July 7, 1999 Declaratory Ruling and Notice of Proposed Rulemaking (NPRM) issued in the above noted proceeding. While, supporting the concept of Calling Party Pays (CPP) service by Commercial Mobile Radio Services (CMRS) providers, CTDPUC recommends that the Commission exercise caution when developing the terms and conditions under which CPP is offered. CTDPUC concurs with the Commission that CPP could be a true alternative to the local exchange services and enhance competition between local exchange service and the wireless industry (NPRM, ¶21); competition which is clearly lacking today. However, as CPP is

implemented, adequate and effective consumer safeguards must be adopted to protect the public interest from those types of abuses experienced by consumers due to unscrupulous alternative operator service providers (OSP) and 900 service providers during the late 1980s and 1990s. In any event, state consumer protection laws should not be voided or weakened in light of the FCC's Declaratory Ruling that CPP is a wireless service. NPRM, ¶15. Rather, states should continue to have the ability to ensure the protection of the public through the enforcement of their existing consumer protection laws. In the opinion of CTDPUC, state consumer protection goes well beyond the "billing inserts and other means to educate consumers" suggested by the Commission. Id., ¶33.

II. DISCUSSION

In its NPRM, the Commission seeks comments on a variety of issues including what protection measures are necessary to protect consumers (NPRM, ¶33), moving toward a simpler, more streamlined notification system (<u>Id.</u>, ¶44) and other notification options (e.g., assignment of numbering codes) (<u>Id.</u>, ¶48).

Based on its review, CTDPUC believes that there are a number of questions that must be answered concerning the competitive impact that a CPP offering would have before it can be offered on a nationwide basis. CTDPUC also believes that the Commission appears to be developing a sound approach in investigating a nationwide CPP service offering. Nevertheless, CTDPUC urges the Commission to proceed slowly and thoroughly examine this service before the CMRS providers make CPP available on a formal basis. CTDPUC suggests that the Commission consider limiting CMRS CPP offerings to market

trials while CPP CMRS provider and consumer (wireless and wireline) usage data can be collected. Once the data has been analyzed, then the Commission and states would have a better idea of the competitive impact that a formal CPP service offering would have relative to stimulating competition between the wireline and wireless industries. During these trials, local exchange end user notification issues could also be studied and "fine-tuned" so that formal protections can be immediately implemented in advance of a formal CPP offering. Finally, a CPP market trial would also offer participating CMRS providers and local exchange carriers an opportunity to test and evaluate different pricing plans so that in the event a formal CPP service is offered, the carriers will already have "tested" rates and charges on which their services may be priced.

The Commission cites to the experience of Chile and Argentina in support of a nationwide CPP offering. NPRM, ¶24. Although the offering of CPP in these countries may shed some light on a formal CPP offering, CTDPUC questions whether their experience is truly indicative as to what can be expected in this country. Only after market data that is derived from a market trial has been collected and analyzed can the Commission and the states be assured of the expected competitive impact that this service would have on these industries.

However, in the event that the Commission moves toward a wide spread CPP service offering, CTDPUC urges the Commission to not weaken or usurp states' existing consumer protection laws. CTDPUC therefore recommends that the FCC look to its own rules governing OSP and call aggregators relative to the

minimum consumer information notification requirements as the basis for informing calling parties. CTDPUC believes that there is little difference between calls made from a wireline to a wireless provider under CPP and calls to 900 numbers or calls made from pay telephones using the services of an OSP. Indeed, it appears to CTDPUC that the Commission has already relied on its OSP guidelines when determining that CPP consumer notification initially include:

- (1) Notice that the calling party is making a call to a wireless phone subscriber that has chosen the CPP option and that the calling party therefore will be responsible for payment of airtime charges.
- (2) Identification of the CMRS provider.
- (3) The per minute rate, and other charges, that the calling party will be charged by the CMRS provider.
- (4) Notice that the calling party will have an opportunity to terminate the call prior to incurring any charges.

NPRM, ¶42.

CTDPUC supports these notification requirements, although it is concerned by the Commission's belief that such notification would only be temporary as the FCC appears to desire a move "to a simpler, more streamlined notification system that would not include rate information, after consumers have become accustomed to CPP and are aware of the additional charges involved." NPRM, ¶44. CTDPUC is not aware of any instance when rate information should not be provided to callers dialing CMRS CPP end users. Would the FCC ever consider removing such requirements for telephone calls carried and billed by OSPs? CTDPUC believes that there is very little difference between wireline end

users using OSP services and those callers dialing wireless subscribers. Consumers should always be provided with a sufficient level of information so that they can make informed and educated decisions when placing calls to CMRS end users subscribing to CPP. Of course, this notification should be in addition to mandatory educational campaigns sponsored by CMRS providers and local exchange companies advising consumers of the availability of CPP and the possible imposition of charges that could be experienced when calling wireless end users.

Finally, the Commission seeks comments concerning the establishment of a dedicated service code or codes to assign to CPP subscribers. NPRM, ¶48. CTDPUC reiterates its request to the FCC to reconsider its decision against service specific area codes.¹ CTDPUC continues to believe, as it did then, that if adopted, a separate and distinct area code would alert wireline end users to the fact that they may incur a charge when calling a CMRS subscriber similar to end users calls to 900 service numbers.

III. CONCLUSION

CTDPUC supports the concept of calling party pays as a means of promoting competition between the local exchange service and wireless industries. However, CPP should be implemented only after a sufficient level of data has been collected and only after appropriate consumer safeguards have

¹ See the CTDPUC's March 30, 1998 Petition to the FCC, <u>Petition of the Connecticut Department of Public Utility Control for Amendment to Rule Making</u> and CTDPUC's July 30, 1999 Comments filed in response to the Commission's Notice of Proposed Rule Making, CC Docket No. 99-200, Numbering Resource Optimization.

been developed and executed. Such safeguards should be permanent so that callers to CMRS subscribers have a sufficient level of information when making these calls.

Respectfully submitted,

CONNECTICUT DEPARTMENT OF PUBLIC UTILITY CONTROL

Donald W. Downes Chairman

Glenn Arthur Vice-Chairman

Jack R. Goldberg Commissioner

John W. Betkoski, III Commissioner

Linda Kelly Arnold Commissioner

August 17, 1999

Connecticut Department of Public Utility Control Ten Franklin Square New Britain, CT 06051

CERTIFICATION

Miriam L. Theroux

Commissioner of the Superior Court